

# FISCAL NOTE

**Bill #:** HB0616

**Title:** Require certain natural resource damage positions to be located in Butte

**Primary Sponsor:** Keane, J

**Status:** As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

## Fiscal Summary

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$270,780	\$133,185
<b>Revenue:</b>		
General Fund	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	(\$270,780)	(\$133,185)

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Justice - Natural Resource Damage Program**

1. The Department of Justice states that the primary function of eight current FTE is associated with the Natural Resource Damage or Superfund Litigation.
2. Only the Governor can authorize expenditures of the restoration fund. It is assumed that all costs to move the NRD program from Helena, MT to Butte, MT will be general fund. If this bill were to become law, it is possible that the potential increase in costs could be funded from the restoration fund.
3. One additional FTE (Grade 9) would be required for duties as a receptionist/administrative. The cost for this position is \$25,826 in FY 2006 and in \$25,826 in FY 2007.
4. Start-up operating costs for this FTE would be \$2,976 in FY 2006. These costs are for a new employee packet, which includes a desk, chair, 3-shelf bookcase, 2-drawer file cabinet, and computer.
5. Additional operating costs of \$2,582 in FY 2006 and \$2,582 in FY 2007 would be required for phones, supplies, and travel.
6. It is assumed that office space would need to be leased to house the nine FTE involved. The annual rental costs are estimated at \$52,500 (3,500 sq/ft x \$15.00 per sq/ft) less the annual current rental costs which are estimated at \$20,000 per year for a total increase of \$32,500 per year.

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7. Additional travel for seven staff will be required to attend meetings held in Helena, Montana. It is estimated that 500 meetings will be held that will require attendance by some of the seven NRD staff. The additional travel costs include meals and lodging are estimated to be \$15,120 in FY 2006 and \$15,120 in FY 2007. The cost for fuel to drive state leased vehicles from Butte to Helena is estimated to be \$6,500 in FY 2006 and \$6,500 in FY 2007.
8. It is assumed that the Department of Justice will pay employee-moving costs for the eight FTE to relocate to Butte, Montana. The estimated moving costs are estimated at \$58,280 in FY 2006.
9. The estimated cost to move the existing office contents of the NRD program, including desks, chairs, files, etc. are estimated to be \$5,000 in FY 2006.
10. It is estimated that three vehicles will need to be leased at a cost of approximately \$23,412 per year in both FY 2006 and FY 2007.

### **Department of Justice – Information Technology Services Division**

11. HB 616 establishes nine employees related to Natural Resource Damage or Superfund Litigation to have their offices located in Butte, MT.
12. HB 616 would use existing FTE and contract services to provide technical support related to installation, maintenance, and training for microcomputer workstations and local and wide area networks. The cost of contract services is estimated at \$22,138 for FY 2006 and \$22,138 for FY 2007.
13. The work site will be equipped with security systems comparable to those found at other state offices. This security system will be controlled by the Department of Justice, Information Technology Services Division, to control access to the office site. The cost of the security system is \$12,000 in FY 2006.
14. The computers and other hardware devices will need to be connected to the state network. The installation of the network and telephone jacks will cost \$7,500.
15. Laptop computers with docking stations will need to be purchased for three employees to allow for the transfer of information from their worksite in Butte, MT to the courts and Attorney Generals Office in Helena, MT. The total cost for three computers is \$12,807.
16. An onsite server will be needed for networking as well as a storage device. A Dell PowerEdge 2800 costs \$20,692.
17. Access to a plotter to allow for printing of larger size diagrams and charts, is necessary. Currently NRD uses the plotter at Dept of Administration or Lewis and Clark County, both located in Helena, Montana. It is estimated that costs to access a plotter from Butte, MT will be \$3,150 in FY 2006 and \$3,150 in FY 2007.
18. Firewalls will need to be installed on the computer system to provide a secure network environment. A Cisco Firewall is \$6,995.
19. A Router, Switch and T1 line will be needed to connect to the state system. The total cost is \$11,345.
20. Maintenance for the equipment will cost \$1,957 annually

### **FISCAL IMPACT:**

#### **Department of Justice - Natural Resource Damage Program**

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
FTE	1.00	1.00
 <u>Expenditures:</u>		
Personal Services	25,826	25,826
Operating Expenses	<u>146,370</u>	<u>80,114</u>
TOTAL	\$172,196	\$105,940

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Funding of Expenditures:

General Fund (01)	\$172,196	\$105,940
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Revenues:

General Fund (01)	\$0	\$0
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**Department of Justice – Information Technology Services Division**

Expenditures:

Operating Expenses	\$98,584	\$27,245
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Funding of Expenditures:

General Fund (01)	\$98,584	\$27,245
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Revenues:

General Fund (01)	\$0	\$0
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Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$270,780)	(\$133,185)
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